



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

September 8, 2003

To: Supervisor Yvonne Brathwaite Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

Lloyd W. Pellman
County Counsel

Jon W. Fullinwider
Chief Information Officer

J. Tyler McCauley
Auditor-Controller

Board of Supervisors
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Third District

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Fifth District

**RISK MANAGEMENT INFORMATION SYSTEM (RMIS)
IMPLEMENTATION PROJECT STATUS REPORT – JULY AND AUGUST 2003**

As communicated in the previous status report, a RMIS Steering Committee has been formed to prioritize changes in business processes and to plan for future system enhancements. The Steering Committee is comprised of representatives from the Chief Administrative Office (CAO), Auditor-Controller (A-C), County Counsel and the Chief Information Office (CIO). The following is the July and August status update report on the progress of the RMIS project's user acceptance, which began in March 2003.

Background

On March 6, 2001, your Board approved the development and implementation of a new, state-of-the-art Risk Management and Claims Administration Information System (RMIS). Your Board further instructed the Chief Administrative Officer, County Counsel, and all affected department heads to develop an implementation plan for departmental use of RMIS and instructed each department/district head to be accountable for the use of RMIS as part of the annual Management Appraisal and Performance Plan (MAPP).

Your Board's July 16, 2002, approval of a contract amendment with Risk Technologies, Inc. (RTI), the RMIS contractor, included an updated project time line, an enterprise license purchase option, and additional data conversion services to enable the CAO to accommodate various needs of departments.

RMIS Accomplishments to Date

As of August 9, 2003, the Chief Administrative Office, County Counsel, and Third Party Administrators continue with the user acceptance phase of the primary RMIS modules installed on the County's servers. The user acceptance activities on the below listed modules are continued from the prior report:

- **RMIS Claims Administration Module:** The previous separate systems utilized by County Counsel, the Board of Supervisors' Executive Office, and the County's Third Party Administrators (TPAs), Carl Warren and Company and Octagon Risk Services, have been discontinued. These entities were transitioned to the Claims Administration Module of RMIS.
- **RMIS Electronic Incident Reporting Module:** The County's TPAs are currently using this module to enter incident reports received from the departments. This module will be available to departments once they have received training on the use of this module.
- **RMIS Litigation Management/Tracking Module:** County Counsel and the County's TPAs are now using the RMIS Litigation Management/Tracking Module.
- **Timesheet and Billing Module:** CAO, CIO and County Counsel are continuing user acceptance of the final components of the Claims Administration and Litigation Management modules of RMIS. These final components are:
 - In-house Attorney Timesheet Entry
 - Payment Processing
 - In-house Attorney Time Posting
 - Invoice Billing and Reports
- **Develop Custom Reports:** The RMIS project team has been working with County Counsel, TPA staff and major County departments to identify and develop key specialized reports for claims management, litigation management, risk management as well as other required financial reports for the Auditor-Controller.

Outstanding Implementation Issues

Outlined below are current major outstanding issues and an anticipated timeline for completion of the current contract:

- **Complete County Data Conversion:** CAO, CIO and County Counsel are working with RTI to complete the final data conversion of historic in-house attorney fees into RMIS. The conversion of this data has been particularly laborious due to the data's quality and the high volume of transactions. The data conversion will be completed in September 2003.
- **Test Remaining Modules:** The County, because of the extended testing phase of the Claims Administration module, has not accepted several RMIS tracking modules. The remaining modules to be delivered to the County are: Policy Tracker, Certificate Tracker, Asset Tracker, Notes, Diaries, and Calendar functions. Delivery of the remaining RMIS modules has been further delayed until October 2003.
- **Disaster Recovery and Business Continuity Plan:** The Internal Services Department (ISD), who is hosting the RMIS servers, notified the CAO and CIO that it is developing a disaster recovery plan for its server farm. The servers are backed up regularly, but at the present time, no alternate hardware or alternate site has been identified for use in case of a major disaster. To minimize the risk of a catastrophic failure of the system, the RMIS Steering Committee and Internal Services Department will work together to develop a disaster recovery and business continuity plan.
- **Confirm that the modules installed by RTI are functioning in accordance within industry Best Practices, and the Agreement between RTI and County:** Tillinghast-Towers Perrin, risk management consultants, provided guidance during the evaluation of the County's old risk system and the solicitation process for a new risk system. The RMIS Steering Committee has re-engaged Tillinghast-Towers Perrin during the final phase of the implementation to assist the County in developing a final acceptance plan to resolve any outstanding implementation and system functionality issues to ensure that the RMIS fully complies with the RMIS specifications.

Emerging Issues

Listed below are critical RMIS issues that must be addressed, which are currently outside the scope of the current contract and will require additional resources and a contract amendment:

- **New User Groups:** The Steering Committee has identified additional user groups, such as the A-C Warrant Investigations that handles claims and makes payments. These additional user groups will require further needs analysis and will result in additional modifications to RMIS.
- **RMIS Enhancements for Additional Efficiency:** During RMIS implementation, County Counsel and the CAO identified additional enhancements to the system that would streamline their information workflows and increase efficiency and effectiveness in communicating with other departments. While these enhancements fall outside the scope of the current RTI contract, a few enhancements have been identified as being crucial to support faster, more efficient data input into the system and were addressed through the use of the contract's contingency funds.
- **Board Motion to Implement Auditor-Controller's Recommendation to Reconcile CAPS and RMIS:** The Board's recent motion to implement the A-C's recommendations of March 25, 2003, by July 1, 2003, will require RMIS program modifications and the conversion of data files, which are outside the scope of the current RTI contract. The RMIS program modifications as well as enhancements for other user groups will be included in an upcoming amendment, which will be submitted to your Board for approval. The Amendment for these modifications and enhancements will be submitted for your Board's approval in the September 2003 timeframe.

Steering Committee Actions:

On March 4, 2003, the County began user acceptance of the primary RMIS modules. Immediately upon entry into this phase, data scrubbing and conversion issues, unanticipated enhancements and expansion of users groups have impacted the County's user acceptance. In addition, the Board's direction to go forward with the A-C recommendations further impacts the user acceptance.

Therefore, the RMIS Steering Committee will move forward with the previously recommended approach towards addressing these emerging issues:

- The RMIS will continue to be implemented under the current contract specifications in accordance with the project's timeline. The Steering Committee anticipates this phase to be accomplished by the end of 2003. This recommendation will allow us to resolve outstanding issues, test and accept outstanding system modules and finalize attorney billing for FY 02-03. It will also allow us to move forward with an amended contract in fourth quarter 2003 to include additional enhancements and requirements and to synchronize RMIS and CAPS for FY 03-04.

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- Delay the implementation of the A-C's recommendations in RMIS until the first quarter of 2004. The County's chart of accounts has been recently modified to be compatible with, and facilitate implementation of, the A-C's recommendations when the modifications to RMIS are complete.
- Following final system acceptance, the Steering Committee will evaluate Board requirements (A-C's recommendations) and prioritize RMIS future enhancements and outstanding issues. At that time, a request will be submitted to your Board for funds, staff and additional contracting authority to implement these requirements.

If you have any questions concerning RMIS, please call Rocky Armfield, County Risk Manager at (213) 351-5346.

DEJ:SRH:RA
DU:JH:lis

Attachments

c: Executive Officer, Board of Supervisors
County Counsel
Chief Information Office
Auditor-Controller